

Calculating Earned Service Credit

Earned service continues to include TERI employment with an insurance-covered entity. However, as is currently the case, military service, non-qualified service, public service, educational service, leave of absence or sick leave will not be included as earned service. This is true for persons hired before, on or after May 2, 2008.

Employees Retiring Under the Optional Retirement Program

- One year of full-time employment is deemed equivalent to one year of earned retirement service credit for the purpose of determining eligibility for retiree health insurance.

Employees Retiring with a Local Subdivision

- Employees who retire from a state insurance-covered local subdivision should contact their employer for premium information. Local subdivisions may elect to pay all, none or a portion of their retiree's premium.
- Insurance-covered local subdivisions that do not participate with SCRS: One year of full-time employment is considered equivalent to one year of earned retirement service credit for the purpose of determining eligibility for retiree health insurance.

Please refer to the Insurance Benefits Guide for insurance eligibility rules.

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New Retiree Insurance Funding Rules for Employees Hired on or after May 2, 2008



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Act 195 of 2008

New retiree insurance funding provisions will apply to new employees hired after May 2, 2008, or later, who have no previous service with a state insurance-covered employer. (If an employee hired May 2, 2008, or later, had prior employment history with an insurance-covered employer and was eligible for EIP insurance benefits, old eligibility rules apply.)

Employees who retire under these new funding provisions must continue to meet established insurance eligibility rules. However, at retirement, insurance funding will be determined by calculating the number of years of earned service with a state insurance-covered employer.

Employees Hired as of May 2, 2008

New Funding Provisions for SCRS, ORP, PORs, GARS and JSRS Members: Employees retiring with

- 5 years, but less than 15 years, of earned service pay full premium (no state contribution)
- 15 years, but less than 25 years, of earned service: state pays 50 percent of employer’s share of premium; retiree pays retiree share plus remaining 50 percent of employer’s contribution
- 25 or more years of earned service: state pays 100 percent of employer’s share of premium; retiree pays retiree share

Survivors of Retirees Who Were Employees Hired as of May 2, 2008

If a retiree covered by the health plan dies before his or her covered dependent dies, insurance funding is determined by the number of years of earned service the retiree had at retirement. (Covered dependents of retirees who worked for a local subdivision should consult with the local subdivision employer for premium information.)

Dental

- Regardless of the number of years of earned service, survivors pay the full cost for the dental plan upon the death of the retiree.

Health

- 5 years, but less than 15 years, of earned service: survivor pays full premium (no state contribution)
- 15 years, but less than 25 years of earned service: state pays 50 percent of the full premium for the first 12 months; survivor pays remaining 50 percent for the first 12 months (after 12 months, survivor pays full cost)
- 25 or more years of earned service: state waives premiums for 12 months (after 12 months, survivor pays full cost)